

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: April 30, 2002

SUBJECT: Fiscal Impact Statement: "Establishment of Domestic Partnership Registration Process"

REFERENCE: Mayoral Rulemaking

Conclusion

Funds are not budgeted in FY 2002 to implement the proposed rulemaking. Funds are not sufficient in FY 2002 unless the Department of Health is able to reduce expenditures in other areas to offset spending on this program and to convert vacant positions to the five positions identified in the legislation. **The proposed rulemaking would result in \$140,100 additional expenditures in the District in FY 2002.** Funds are sufficient in the FY 2003 through FY 2005 budget and financial plan to implement the proposed rulemaking because it would generate sufficient offsetting revenue to cover the costs associated with the registry.

Anti-deficiency laws, 31-USCA § 1341 (2000), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the Department of Health determine that funding is available to absorb the additional costs in FY 2002, then the net impact would be zero for that year.

Background

The proposed rulemaking would establish and implement a domestic partnership registration process. The Domestic Partnership Registration Act allows unmarried persons who wish to register as domestic partners to gain access to the benefits under the Health Care Benefits Expansion Act of 1992. This rulemaking establishing the registry provides for registration, certified copies, amendments, and termination of registration.

The rulemaking does not confer the benefits, but merely establishes a registry to allow potential qualified recipients to register for the benefits established by the 1992 act.

Financial Plan Impact

The proposed rulemaking would result in an unbudgeted expenditure of \$140,100 in FY 2002 to establish a domestic partner registry. The Department of Health (DOH) would require additional, unbudgeted personal services and non-personal service costs to implement the proposed rulemaking. Funds are sufficient in the FY 2003 through FY 2005 budget and financial plan to implement the proposed rulemaking because it would generate sufficient offsetting fee revenue to cover the costs associated with the registration process. The rulemaking does not confer, nor do the effects on the financial plan reflect, the costs associated with the actual domestic partner benefits conferred by the 1992 Act.

The proposed rulemaking would require DOH to hire a branch chief, clerical assistant, paralegal, counselor, and registration clerk/notary in order to establish and implement the domestic partnership registration process that would be established by the proposed rules. The personal service (PS) costs are detailed in the table below and 3 percent increase for inflation in each year beginning in FY 2003. Personal services costs for FY 2002 are based on the salaries that would be paid in the remaining quarter of the fiscal year.

Estimated Personal Services Costs						
	Grade/step	Salary/Ben	FY2002 (1/4 year)	FY2003	FY2004	FY2005
Supervisor	MS 12/3	\$63,950	\$15,988	\$65,869	\$67,845	\$69,880
Clerical Assistant	DS 7/2	23,815	5,954	24,529	25,265	26,023
Paralegal	DS 11/1	46,970	11,743	48,379	49,830	51,325
Counselor	DS 9/1	38,970	9,743	40,139	41,343	42,584
Registration Clerk/Notary	DS 6/2	\$30,015	\$7,504	\$30,915	\$31,843	\$32,798
TOTAL			\$50,930	\$209,832	\$216,127	\$222,610

The proposed rulemaking would also require DOH to incur non-personal service (NPS) costs. These costs include supplies, contractual services, and equipment to establish and maintain the registration process. These costs are detailed in the table below and assume inflationary increases of 3 percent.

Estimated Non-Personal Services Costs				
	FY2002 (start-up)	FY2003	FY2004	FY2005
Supplies	\$2,000	\$2,060	\$2,122	\$2,185
Contractual Services	162,000	130,608	134,526	138,562
Equipment	78,000	0	0	0
TOTAL	\$242,000	\$132,668	\$136,648	\$140,747

According to DOH, once the registration process is established and initial start-up costs are made in FY 2002, the registration process would generate offsetting fee revenue sufficient to offset all costs associated with the registrations. These revenues are detailed in the table below and assume inflationary increases of 3 percent.

Estimated Fee Revenue					
	Customers	FY2002 (1/4 year)	FY2003	FY2004	FY2005
Registration @ \$45	5000	\$56,250	\$225,000	\$231,750	\$238,703
Certified Copies @ \$18	2500	11,250	45,000	46,350	47,741
Amendments @ \$10	1000	2,500	10,000	10,300	10,609
Termination @ \$25	2500	\$15,625	\$62,500	\$64,375	\$66,306
TOTAL		\$85,625	\$342,500	\$352,775	\$363,358

The proposed rulemaking would result in an unbudgeted expenditure of approximately \$140,100 in FY 2002. The registration process would be cost neutral in FY 2003 through FY 2005 due to projected offsetting fee revenue associated with the registration process. Thus, the total cost of the registration process over the estimated period would be \$140,100.

Estimated Impact on the Financial Plan					
	FY2002 (1/4 year)	FY2003	FY2004	FY2005	4-Year Total
PS Costs	(\$50,930)	(\$209,832)	(\$216,127)	(\$222,610)	(\$699,498)
NPS Costs	(\$242,000)	(\$132,668)	(\$136,648)	(\$140,747)	(\$652,064)
Budget Authority	\$67,330	0	0	0	\$67,330
Offsetting Fee Revenue	\$85,500	\$342,500	\$352,775	\$363,358	\$1,144,133
TOTAL	(\$140,100)	\$0	\$0	\$0	(\$140,100)